

2021 INTERIM RESULTS

Interim results for six months to 30th June 2021





Too much work disappears.

This isn't a big secret, but it does seem careless.

Our approach is different.

Everything we do is designed to get to work that makes the difference Clients are looking for, whatever their ambition.

We call it work that counts.

So we collaborate because it does good, not because it looks good. (That means we listen, before we talk).

We delve deep for insights that are all the stronger for not leaping off the page.

We eschew safety first, because that kind of work is always the first to be ignored.

We create and share innovation not as a means to impress, but for the benefit of our Clients.

And we stay close to our Clients, regardless of distance and circumstance.

Our approach has helped us become the kind of long-term creative partner that consistently delivers real, sustainable growth, and we're delighted to say that our Clients seem happy to have us around.

That counts, big time.

CONTENTS





FINANCIAL REVIEW





PROFIT & LOSS

(M'3)

	H1 2021	H1 2020
BILLINGS	69.5	58.1
REVENUE	34.1	29.1
OPERATING EXPENSES	(32.1)	(30.9)
HEADLINE OPERATING PROFIT	2.0	(1.8)
SHARE OF ASSOCIATES/JV	0.1	-
INTEREST	(0.3)	(0.4)
HEADLINE PBT	1.8	(2.2)
ADJUSTMENTS	(0.4)	(0.1)
PBT	1.4	(2.3)
TAX	(0.3)	0.5
EARNINGS	1.1	(1.8)

Key H1 highlights

- 1st Half ahead of internal expectations
- Revenue up 17% overall
- Building on firm cost control in 2020, enabling strong profit generation from revenue increase
- Headline adjustments back nearer 'normal' levels



SEQUENTIAL RECOVERY CONTINUES

AND FORECASTED TO CONTINUE TO DO SO

Revenues compared to equivalent 2019 period



forecast

BALANCE SHEET

(M'3)

	H1 2021	H1 2020	DEC 2020
INTANGIBLES	95.9	95.5	96.2
FIXED ASSETS/INVESTMENTS	2.6	3.1	2.7
WORKING CAPITAL	3.5	1.0	2.2
NET BANK DEBT EARN-OUT OBLIGATIONS	(3.9) (7.3)	(0.9) (6.8)	(1.2) (8.5)
TOTAL NET DEBT	(11.2)	(7.7)	(9.7)
RIGHT OF USE ASSETS	9.9	12.0	10.7
LEASE LIABILITIES	(10.5)	(12.5)	(11.3)
ALL OTHERS (MAINLY TAX)	(0.5)	(0.5)	(0.6)
NET ASSETS	89.7	90.9	90.2
BANK DEBT LEVERAGE	x0.7	x0.1	x0.6
TOTAL DEBT LEVERAGE	x1.8	x1.5	x4.3

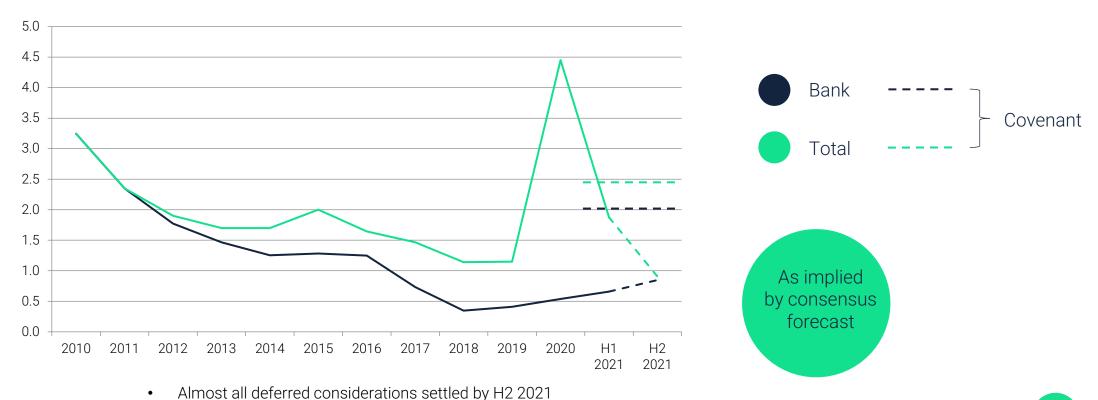
Key H1 highlights

- Working capital increase driven by catchup of 2020 HMRC deferral schemes.
- Underlying working capital reduction.
- Earn-out YOY reflects acquisition of Innovation Bubble in H2 2020.
- Bank: New £20m facility agreed with 3+1 term and £5m accordion option.
- Decreased lease assets & liabilities resulting from reduced estate.
- Covenant relaxations agreed to Q3 2021



DEBT LEVERAGE RATIOS

CASH CONSERVATION MEASURES AND TRADING RECOVERY BRINGING RATIOS BACK TO NORMAL LEVELS



CASH FLOW

(M'3)

	H1 2021	H1 2020
HEADLINE OPERATING PROFIT	2.0	(1.8)
ADD BACK DEPRECIATION	1.9	2.2
LESS LEASE PAYMENTS	(1.0)	(1.5)
EBITDA	2.9	(1.1)
INTEREST AND TAX	(1.1)	(0.6)
NORMALISED OPERATING CASH FLOW	1.8	(1.7)
WORKING CAPITAL	(1.3)	7.6
CASH FLOW FROM OPERATING ACTIVITIES	0.5	5.9
ACQUISITIONS	(1.2)	(1.5)
CAPEX/SOFTWARE DEVELOPMENT	(0.5)	(0.4)
DIVIDENDS PAID	(1.4)	-
SHARES BOUGHT FOR THE EBT	(0.2)	-
REDUCTION/(INCREASE) IN NET DEBT	(2.8)	4.0



CASH FLOW

(M'3)

	H1 2021 reported	Prior year catchup	H1 2021 underlying	H1 2020
HEADLINE OPERATING PROFIT	2.0	-	2.0	(1.8)
ADD BACK DEPRECIATION	1.9	-	1.9	2.2
LESS LEASE PAYMENTS	(1.0)	-	(1.0)	(1.5)
EBITDA	2.9	0.0	2.9	(1.1)
INTEREST AND TAX	(1.1)	-	(1.1)	(0.6)
NORMALISED OPERATING CASH FLOW	1.8	0.0	1.8	(1.7)
WORKING CAPITAL	(1.3)	(3.1)	1.8	7.6
CASH FLOW FROM OPERATING ACTIVITIES	0.5	(3.1)	3.6	5.9
ACQUISITIONS	(1.2)	-	(1.2)	(1.5)
CAPEX/SOFTWARE DEVELOPMENT	(0.5)	-	(0.5)	(0.4)
DIVIDENDS PAID	(1.4)	(1.4)	0.0	-
SHARES BOUGHT FOR THE EBT	(0.2)	-	(0.2)	-
REDUCTION/(INCREASE) IN NET DEBT	(2.8)	(4.5)	1.7	4.0

Key H1 highlights

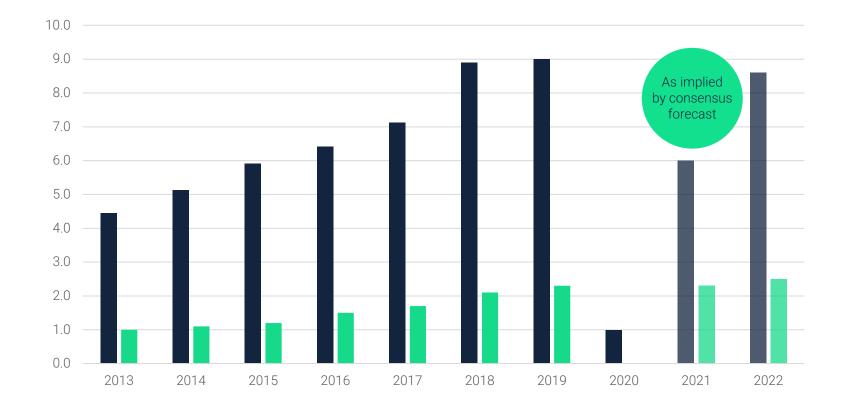
- Strong cash generation in H1
- Some recoil expected in H2

PROGRESSIVE DIVIDEND STRATEGY

EPS & DPS PROGRESSION

HL Diluted EPS (p)

DPS (p)

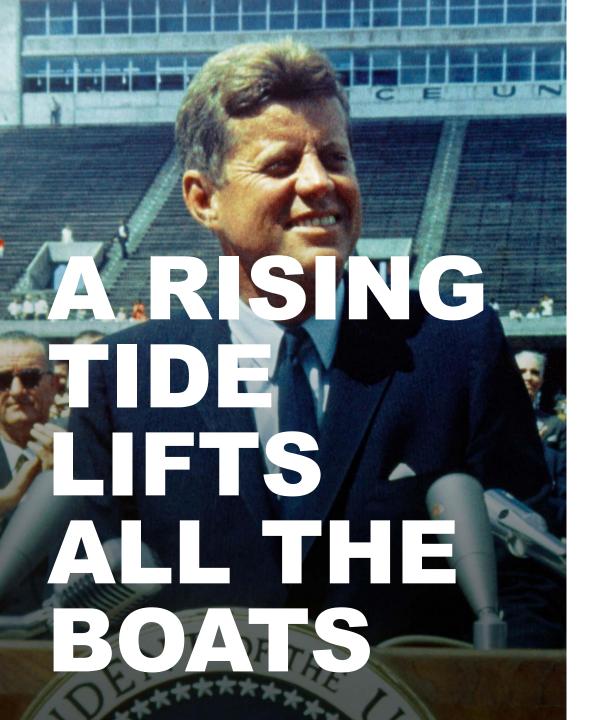




BUSINESS REVIEW







11 AGENCIES DELIVERED SIGNIFICANT H1 YOY IMPROVEMENT

(OUT OF *13 ELIGIBLE AGENCIES, AND THE OTHER 2 WILL BE UP YOY AT THE FY!)

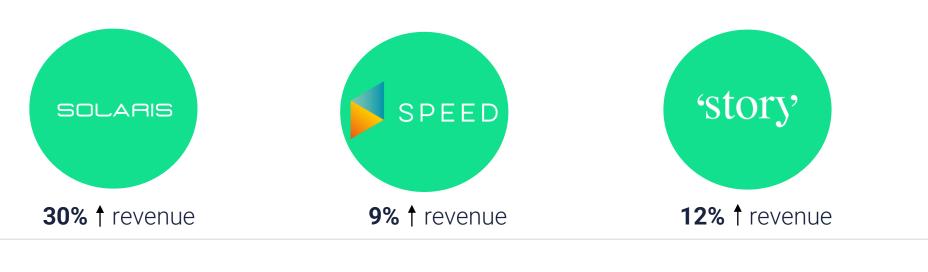
*Excludes Pathfindr (not an Agency) and Innovation Bubble (acquired June 2020)



WITH SOME SIGNIFICANT SHIFTS



...BUT IT'S NOT JUST THE LARGER AGENCIES CONTRIBUTING TO THE TURNAROUND



HEADCOUNT

CHANGED TO REFLECT NEW WAYS OF WORKING

YEAR	TOTAL	UK (& EUROPE)	US	ASIA
January 2020	1120	964	38	118
September 2021	994	873	43	78
Prelim 2022 Forecast	1007	871	54	82

Applying the learnings from the last 18 months to build a more efficient and effective Group.

IT'S ABOUT PEOPLE... AND PLACE

- All our offices are open and occupied with every care taken to ensure our workspaces remain safe
- We will evolve and adapt until we find the optimum balance. We will do this through ongoing feedback from all employees
- Many of our Agencies are trialling hybrid ways of working to the end of the year
- Resilience and Wellbeing Workshops were delivered from March to June open to everyone across the Group
 - in preparation for the return to office based work. These were also recorded and made available on MISSION Discovery
 (our eLearning platform)
- We now have 25 MHFAs (Mental Health First Aiders) across the Group with 16 more to be trained before the end of the year
- We are Committed to being a; Mindful Employer (signed up to Charter), Disability confident committed Employer (work experience and promoted vacancies) and a Diverse and Inclusive Employer (working with our rostered partners)

OUR CAPABILITIES

DATA, INSIGHT AND UNDERSTANDING BRAND STRATEGY, CREATIVE AND CONTENT MEDIA, PR, PROMOTION, EVENTS AND EXPERIENCE PERFORMANCE, MEASUREMENT AND ANALYSIS



DIGITAL PRODUCTION, INNOVATION AND ECOMMERCE

OUR FOCUS AREAS

FOR THE NEXT 6 MONTHS

DATA, INSIGHT AND UNDERSTANDING

1

BRAND STRATEGY, CREATIVE & CONTENT

2

MEDIA, PR, PROMOTION, EVENTS AND EXPERIENCE PERFORMANCE, MEASUREMENT AND ANALYSIS



DIGITAL PRODUCTION, INNOVATION AND ECOMMERCE

1 DATA AND ANALYTICS

INTERNALLY: CENTRAL MISSION DATA & ANALYTICS LEAD STARTED 31ST AUGUST

- Consult to Perm position
- Ex WPP, Publicis, Dentsu etc.
- 1st 12 weeks Discover, Review and Refine, Re-position and re-articulate
- Gap analysis to drive further enhancements
- Expert new business support for all agencies

EXTERNALLY: MISSION BRAND BONDING INDEX LAUNCHES END SEPTEMBER

- Raise MISSION's profile as the go-to Agency Group for ambitious brands
- Demonstrate MISSION's strategic capabilities and depth/breadth of knowledge
- Key prospecting tool as Companies inspired to seek MISSION Group advice to build their score
- Adapted to align with sector prospecting targets across all Group Agencies
- A conversation starter for diagnostic and consultancy work for existing and new clients









IN SUMMARY

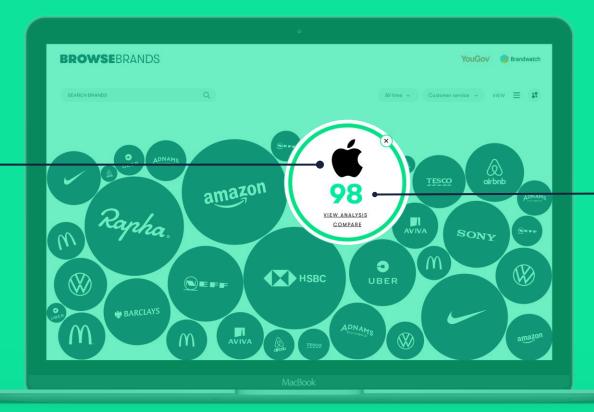
- A new bi-annual brand index covering 100 global brands
- Utilising the most comprehensive data set of any brand index available and a bespoke algorithm
- Developed and produced in-house at The MISSION Group with BrandWatch and YouGov as data partners
- The **MISSION** Brand Bonding Index strategically embodies the **MISSION**'s philosophy to deliver Work That Counts for our Clients, whatever their ambitions creating real standing, sharing real innovation and delivering real growth
- MBBI is an online free to use tool for brands to get a deep dive snapshot into their place in the market and their buyers' intent





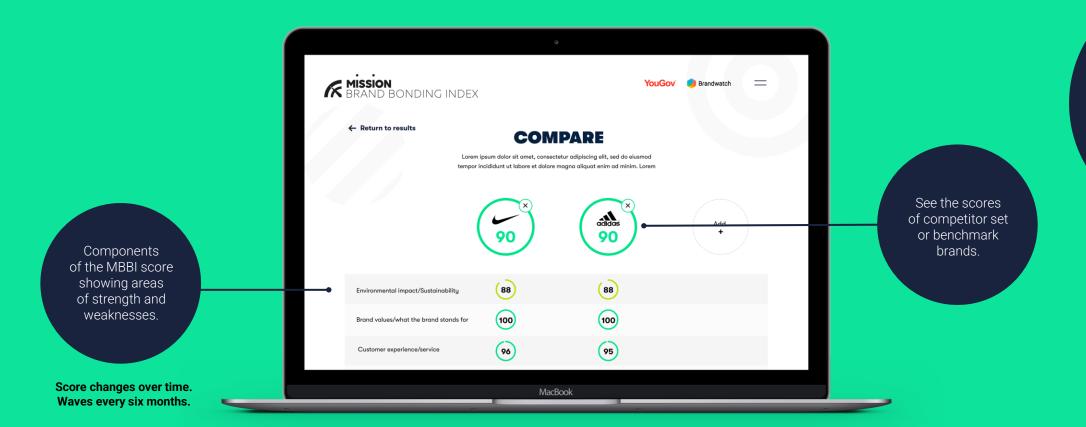
A SCORE, A WEBSITE, A NEW BENCHMARK METRIC

Dial through brands. Filter by Sector, by Score or a bespoke benchmark set



Selected brand shows MBBI score and link to detail

REAL TIME, ACTIONABLE RESULTS



WHAT IF? MODELLING. REACTING. MISSION WORKING HAND IN HAND WITH CLIENTS

MBBI allows clients to model the impact of proposals. Meaning MISSION enables them to be agile, accurate and ahead of the curve.

CURRENT SCORE



PROJECTED SCORE



Impact of an upweighted **social media** presence



2

ENHANCED CREATIVE AND CX CAPABILITY

OUR VISION OF THE PREFERRED CREATIVE PARTNER FOR REAL BUSINESS GROWTH REQUIRES:

- · Constant evaluation of our product and creative capabilities including ongoing review of our Agency portfolio for any further consolidation
- In doing so an opportunity has been identified to leverage the power of our existing CX consultancy (Ethology) and psychological insights and behavioural solutions consultancy (Innovation Bubble) with meaningful creative talent internally and externally
- This means a continued breadth and depth of expertise and services to fit today's customer challenges
- Delivering multi-platform ideas not constrained by channel



EFFECTIVE eCOMMERCE SOLUTIONS

IN A COOKIELESS FUTURE

BUILDING AN ENHANCED DATA AND ANALYTICS CAPABILITY

- To augment our current Media and Strategic capability
- Working with an external partner
- Focus on helping Clients use their own and 2nd party data i.e. Geo, Device, Time, Contextual, Demographic & Keyword to create 'most-likely' targeting
- This data can also be used to improve website personalisation, and online customer journey analytics

DELIVERING eCOMMERCE WEBSITES CENTRALLY AND BEAUTIFULLY

- Focusing our efforts on Shopify Plus platform
- Build a capability within MISSION Made to support all Agencies working across multiple verticals
- · Scalable end-to-end solutions that can be accelerated by ongoing strategic support from originating Agency

Pathfindr PRIMED BUT HUNGRY



THE STORY SO FAR

Born from technical creativity and a passion for adapting to the customer's world, Pathfindr's journey reflects the ability to deliver class-leading IoT solutions to global industrial companies.

1st generation affordable Bluetooth asset tracking deployed with Rolls-Royce Civil aerospace Expansion into Rolls-Royce MRO and Defence business Pathfindr Ltd formed 2nd generation solution launched.

International deployments in the US, Germany and Singapore Launch of global engine monitor for MTU, winning the Henry Royce Award

> Win GKN Filton tender against market leaders Ubisense

Rapid and agile reaction to the global pandemic, developing the Social Distancing Assistant (SDA), selling £1.2m over 7 months 3rd generation UWB high-accuracy tracking solution

Adaption of SDA to Plant Proximity safety devices

2016

2017

2018

2/2

2020

202

SCALABLE PLATFORM TO EXPLOIT IOT GROWTH

- Pathfindr embeds and grows long-term, deeply integrated value in customers' businesses
- IoT growth drivers are visible and widespread
- Pathfindr has proven products and services
- Experienced Management Team in place
- High grade customers already secured
- Strong pipeline developing post C-19 Lockdown
- Assessing internal and external investment opportunities to maximise potential

OPPORTUNITY: ACCELERATE GROWTH

- 'Business as Usual' plan will deliver BUT will take time to recover lost COVID momentum
- Board has approved an alternative investment plan
 - Short term increase in capital investment (R&D)
 - Builds on IP created to date, pre & post pandemic
 - To deliver mid-long term gain by capitalising on the pipeline opportunities
 - · Modular solutions, multiple applications
 - To drive scalable growth
- Will most likely fund this from existing resources highly affordable



SUMMARY & OUTLOOK



2021

Continued sequential recovery to deliver against H2 revenue target

Seamless board transition

Launch MBBI to showcase **MISSION** Group strategic capability and drive new business enquiries

Develop an enhanced data & analytics offering and ecommerce capability

LONGER TERM

Realise the potential and investment in Pathfindr

Constantly evolve our creative offering to deliver multi-platform ideas not constrained by channel

Return to pre-pandemic profit growth







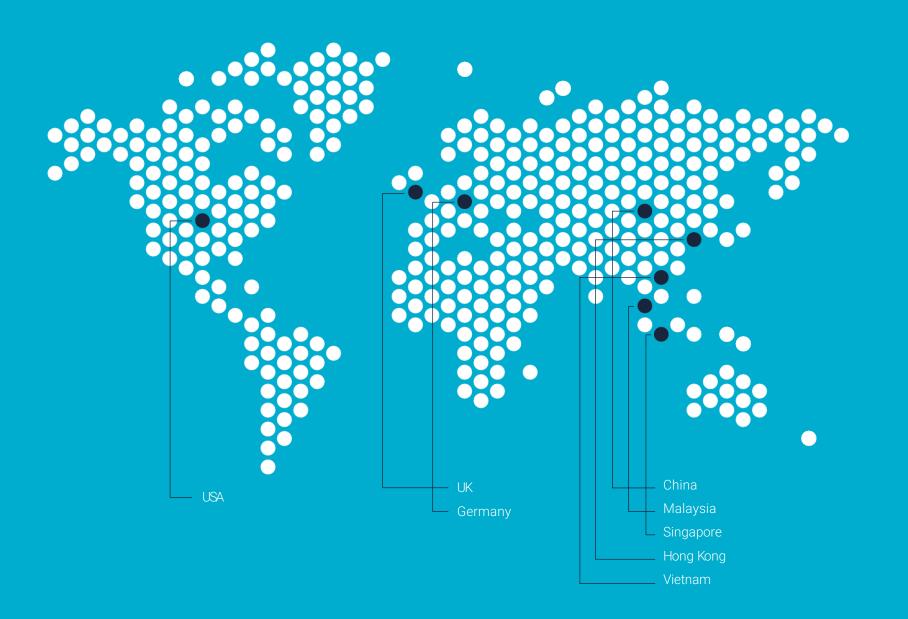
106 New Bond Street, London, W1S 1DN



APPENDIX: GROUP RECAP







28
offices

Over **1,000** people

15 agencies



OUR AGENCIES



Bray Leino

A brand-building pioneer, operating from Devon, Bristol and Asia.



April6 Delivering strategic marketing for leading technology and automobile brands.

thinkbdw

ThinkBDW

The UK's leading integrated property marketing Agency.



Innovation Bubble

A psychological insights and behavioural solutions consultancy.

CHAPTER

Chapter

Large Agency expertise, small Agency agility.

mongoose

Mongoose A leading integrated sports, fitness and entertainment marketing Agency.

ALIVE

Alive

Bringing brands to life in the real world, through meaningful brand building and experiences.

mongoose

Mongoose Promotions

Bringing creative ideas to real-world promotional campaigns.



Krow

A full service creative powerhouse with four UK offices.

RJW&Partners

Providing market access support to pharma and medical brands.

BRAY LEINO

Bray Leino Events

Ethology

Creators of world-class Live Experiences for over 30 years.



Speed

An ambitious, creative and commercially-minded PR Agency.



Story

An award-winning integrated Agency working with leading consumer brands.



RJW&partners

Solaris

An innovative specialist medical communications Agency.

ETHOLOGY

Growing customer engagement through audience and brand interaction.



A SELECTION OF OUR CLIENTS













halfords



















CLIENT RETENTION

Proportion of revenue earned from long-standing Clients.

52.8%

5 years or more

28.5%

10 years or more

16.4%

20 years or more

